

1 **BEFORE THE FEDERAL ELECTION COMMISSION**

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3
4 In the Matter of)

5) MUR 4931

6 Audiovox Corporation, *et al.*)
7)
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10 **GENERAL COUNSEL'S REPORT #12**
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13 **I. ACTIONS RECOMMENDED**

- 14 1. Accept two conciliation agreements.
15 2. Take no further action as to one respondent.
16 3. Close the file.

17 **II. INTRODUCTION**

18 As the Commission will recall, this matter arises from the contribution reimbursement
19 scheme orchestrated by Philip Christopher, the Executive Vice President of Audiovox
20 Corporation ("Audiovox") and the President of Audiovox Communications Corporation
21 ("ACC"), an Audiovox subsidiary. The Commission initiated an investigation into this matter
22 after receiving a referral from the Department of Justice with evidence that Christopher, using
23 Audiovox corporate funds, reimbursed Robert Rossano, a distributor of Audiovox products, for
24 two campaign contributions he made at Christopher's request. During the course of the
25 investigation, we uncovered numerous additional campaign contributions that were reimbursed
26 with Audiovox funds. We also found two contributions that were reimbursed by Christopher
27 with his own funds, and three contributions that were reimbursed by an Audiovox distributor
28 with corporate and personal funds.

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At the conclusion of the investigation, the Commission closed the file as to 37 respondents and authorized pre-probable cause conciliation negotiations with 17 respondents. See General Counsel's Report #7, dated August 27, 2002 ("GCR #7"). The Commission has already accepted five conciliation agreements covering seven respondents and taken no further action as to two respondents.¹ In this report, we recommend that the Commission accept the final two conciliation agreements, which cover eight respondents, and take no further action as to one respondent.² The conciliation agreement at Attachment 1 includes Audiovox, Aris Constantinides, Thomas Doherty, Neil Levine, Daniel McGuire, James Papadopoulos, and Gloria Pisano (the "Audiovox respondents"). The second conciliation agreement (Attachment 2) pertains solely to Christopher. These are the final conciliation agreements and recommended dispositions in this matter.

¹ The Commission previously accepted conciliation agreements with A-Z Auto Sound Systems, Inc. and Joseph DiFazio (General Counsel's Report #8, dated November 8, 2002), Sophia Cotzia (General Counsel's Report #9, dated December 6, 2002), James Maxim (General Counsel's Report #10, dated December 19, 2002), and Gary Tabackman, Howard Honigbaum, and Auto Sound Company, Inc. (General Counsel's Report #11, dated May 9, 2003). In addition, the Commission decided to take no further action as to Kim Macdonald and Meridy Tabackman.

² We recommend that the Commission take no further action as to Quintex Mobile Communications Corporation ("Quintex"), a subsidiary of ACC. In GCR #7, we informed the Commission that we were making no recommendation as to Quintex at that time because we intended to conciliate the violations associated with the use of Quintex's petty cash accounts as part of the agreement with Audiovox. See GCR #7 at 17 n.18.

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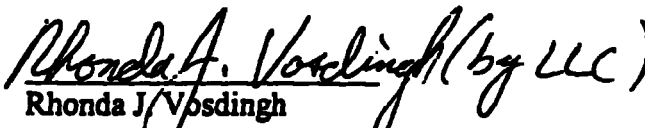
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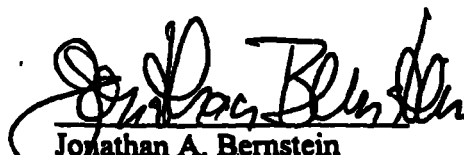
IV. RECOMMENDATIONS


1. Accept the attached conciliation agreement with Audiovox Corporation, Aris Constantinides, Thomas Doherty, Neil Levine, Daniel McGuire, James Papadopoulos, and Gloria Pisano.
2. Accept the attached conciliation agreement with Philip Christopher.
3. Take no further action as to Quintex Mobile Communications Corporation and send an admonishment letter.
4. Close the file.
5. Approve the appropriate letters.


7/11/03
Date

Lawrence H. Norton
Lawrence H. Norton
General Counsel


Rhonda J. Vosdingh
Associate General Counsel


Jonathan A. Bernstein
Assistant General Counsel


Jack A. Gould
Attorney


Daniel G. Pinegar
Attorney

Other staff assigned: Jim Pawlik
Mary Beth deBeau

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